

STANDARD TERMS & CONDITIONS

Terms and Conditions

1. **PAYMENT** - Unless otherwise stated on the face of this Purchase Order, terms are Net 45 days from the later of receipt of invoice or the receipt of goods or services. Any discount period offered shall be calculated from the later of the receipt of goods or services or the receipt of invoice.

2. **INVOICES** -Invoices shall be furnished in duplicate and forwarded to our Accounts Payable Department, accompanied by bills of lading, packing slips, or other data supporting shipment.

3. **CHANGES** -The Purchaser reserves the right to reduce or increase the quantities covered by this order and make changes in the drawings or specifications. Any differences in price or time for performance resulting from such change shall be equitably adjusted and this order modified accordingly. No modification of this order shall be allowed without written authorization of Purchaser.

4. **WARRANTIES** -Seller warrants that all goods and services furnished to Purchaser shall be in accordance with specification and free from any defects of workmanship and materials; that goods furnished to Purchaser shall be merchantable and, if selected or specified by Seller for Purchaser's purposes, fit for such purposes. The Seller warrants all equipment furnished to be in acceptable condition and satisfactory for a period of one year from delivery, Completions of installation or operation, whichever is the latest, with normal usage, and that if defects in workmanship and/or quality of materials are evidenced in this period, the Seller shall remit full credit, replace or repair at Purchaser's discretion, immediately such equipment and/or parts are defective at no additional cost to the Purchaser. It is understood that this warranty is enforceable by either the Purchaser or its Customer. The Seller is also responsible for any costs incurred by the Purchaser resulting from defective material supplied by the Seller or its Customer.

5. **COMPLIANCE WITH LAW** -Seller hereby agrees that the products ordered hereunder will be produced in compliance with the Fair Labor Standards Act; the Equal Opportunity Act; and the Occupational, Safety, and Health Act, as amended, and agrees to so certify, if requested, on its invoices. Seller agrees to observe and comply with all applicable federal, state, and local laws, rules, and regulations in the performance of this order.

6. **DELIVERY** - Deliveries are to be made according to Purchaser's schedule both as to time and quantities, with the Purchaser reserving the right to cancel, reject, or refuse any delivery made prior to or subsequent to the times specified. If delivery as specified cannot be maintained, Purchaser must be notified immediately. Upon Seller's failure to maintain delivery, Purchaser reserves the right to procure this material and/or service elsewhere, in whole or in part, and charge Seller with any additional costs incurred, unless Seller's default arises from causes beyond its control and without fault or negligence.

7. **RISK OR LOSS** - Title to and risk of loss of the Product shall remain with Seller until receipt by Purchaser.

8. Proprietary Information

"Proprietary Information" shall mean all information, knowledge or data (including without limitation financial, business, and product strategy information; product specifications; product designs; procedures; studies; tests; and reports) in written, electronic, tangible, oral, visual or other form, (i) disclosed by, or obtained from, Buyer or (ii) conceived, created, acquired, or first reduced to practice in connection with the Order. If Buyer furnishes sample products, equipment, or other objects or material to Supplier, the items so received shall be used and the information obtained from said items shall be treated as if they were Proprietary Information disclosed in connection with the Order.

Unless the Supplier has received the Buyer's express written consent to the contrary, Supplier shall (i) use the Proprietary Information solely for the purposes of the Order, and not for any other purpose (including, without

limitation, designing, manufacturing, selling, servicing or repairing equipment for entities other than Buyer; providing services to entities other than Buyer; or obtaining any government or third party approvals to do any of the foregoing); (ii) safeguard the Proprietary Information to prevent its disclosure to or use by third parties; (iii) not disclose the Proprietary Information to any third party; and (iv) not reverse engineer, disassemble, or decompile the Proprietary Information.

Supplier may disclose the Proprietary Information to officers, directors, employees, contract workers, consultants, agents, affiliates or subcontractors of the Supplier who have a need to know such Proprietary Information for the purposes of the Order and who have executed a written agreement with the Supplier obligating such entity or person to treat such information in a manner consistent with the terms of this Section. The Order shall not restrict the Supplier from using or disclosing any information that, as proven by written contemporaneous records kept in the ordinary course of business: (i) is or may hereafter be in the public domain through no improper act or omission of the Supplier or a third party; (ii) is received by the Supplier without restriction as to disclosure by the Supplier from a third party having a right to disclose it; (iii) was known to Supplier on a non-confidential basis prior to the disclosure by the Buyer; or (iv) was independently developed by employees of the Supplier who did not have access to any of Buyer's Proprietary Information.8.

9. **REJECTIONS** - Payment of invoice by Purchaser shall not constitute acceptance. If any order of the goods are found to be defective in material or workmanship or not in conformity with the requirements of the order, Purchaser shall have the right to reject and return such goods at Seller's expense and receive full credit for any such rejected goods. Seller is also responsible for any associated costs resulting from the defective goods.

10. **REPAIR BY BUYER** - Buyer may, without waiver of any other right of Buyer hereunder repair, alter, or modify, at Seller's cost, any goods which are not in conformity with the terms and conditions and specifications of this purchase order.

11. **CANCELLATION** - Purchaser reserves the right to cancel this order at any time. Cancellation charges incidental thereto shall be subject to negotiation, and the Purchaser may require delivery of any material for which payment is claimed.

12. **ASSIGNMENT** - This Purchase Order shall not be assigned in whole or in part nor a major portion thereof subcontracted without the prior written consent of Purchaser. Purchaser may offset against amounts payable to any person under this order any claim or charge it may have against Seller.

13. **FORCE MAJEURE** -Purchaser and Seller shall be excused for failure or delay in performance herein due to any event of force majeure, including but not limited to acts of God, labor strikes, or any other contingency beyond the control of either party.

14. **PATENTS** - Seller agrees to protect, indemnify, and save harmless the Purchaser and Purchaser's Customer from any claim, loss, or damage from alleged or actual infringement of trademarks, patents, copyrights and unfair competition actions with respect to merchandise specified in this order.

15. **INDEMNIFICATION** -Seller shall indemnify and hold harmless the Purchaser from any and all claims, damages, costs, expenses, and attorney's fees suffered or incurred on account of any breach of the aforesaid terms and conditions and any other provision of this Purchase Order.

16. **APPLICABLE LAW** -This Purchase Order shall be governed by the laws of the State of Texas. Any controversy or claim arising out of or relating to this Purchase Order, or a breach thereof, which cannot be settled by the parties thereto shall be settled by arbitration in accordance with the Commercial Arbitration Association, provided that no controversy or claim shall be so settled if the amount in controversy exceeds Ten Thousand Dollars (\$10,000). Buyer and Seller hereby agree that the exclusive jurisdiction for the resolution of any and all disputes arising out of this Purchase Order shall be the State and Federal courts located in the State of Texas and nowhere else. Seller hereby irrevocably consents to the jurisdiction of said courts and waives all claims, motions or objections or any kind respecting jurisdiction, venue or the convenience of the forum.

17. **ENTIRE AGREEMENT** - The terms of this Purchase Order constitute the entire agreement between the parties. They may not be explained or supplemented by course of dealings, usage of trade, or course of performance. Buyer/Purchasing Agent Date.

18. **Export Control**

Supplier shall comply with the most current export control and sanctions laws, regulations, and orders applicable at the time of the export, re-export, transfer disclosure or provision of Goods, Software, Technology or Services including, without limitation, the (i) Export Administration Regulations ("EAR") administered by the Bureau of Industry and Security, U.S. Department of Commerce, 15 C.F.R. parts 730-774; (ii) International Traffic in Arms Regulations ("ITAR") administered by the Directorate of Defense Trade Controls, U.S. Department of State, 22 C.F.R. parts 120-130; (iii) Foreign Assets Control Regulations and associated Executive Orders administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, 31 C.F.R. parts 500-598; and (iv) laws and regulations of other countries (collectively, "Export Control Laws").

19. **SPECIALTY METALS:**

Supplier acknowledges that it has read the information contained on Buyer's Supplier Portal regarding specialty metals (as that term is used and defined in the DFARS). Supplier agrees that it will not incorporate into any Goods to be delivered under this Order, specialty metals not melted in the United States, its possessions, Puerto Rico, or a qualifying country. Supplier will flow down DFARS 252.225-7014, ALT I or DFARS 252.225-7009, as applicable to Buyer's Prime Contract, to its suppliers with instructions that Supplier's suppliers must flow DFARS 252.225-7014, ALT I or DFARS 252.225-7009, as applicable, to their suppliers. To ensure compliance, Buyer may require the following information from Supplier: (i) methods the Supplier uses to verify whether or not its Goods contain specialty metals; (ii) Supplier's methods of validating that it has received compliant hardware quotes from its suppliers; (iii) methods of flowing down specialty metals requirements to Supplier's suppliers; (iv) Supplier's record management practices regarding specialty metals compliance; (iv) Supplier's inventory process for identifying and handling compliant hardware; and (vi) Supplier's specialty metals training requirements.
